

**Global Gases' Statement At BLM Hearing Related To Implementation Of The  
Helium Stewardship Act – March 6, 2014 – Amarillo, TX**

Mr. Spisak, Mr. Jolley, etc.

My name is Phil Kornbluth. I am the Sr. Vice President for Global Gases America. Global Gases is a large distributor of Helium primarily to diving gas and MRI markets around the world. We are a party to both a Helium Storage Agreement and an In-Kind Sales Agreement with the BLM. We have also been the primary supplier of Helium to the Defense Logistics Agency in Afghanistan. Personally, I have been involved in the Helium Business for 31 years, including 23 years while working for the BOC Group, 6 years with the Matheson subsidiary of Taiyo Nippon Sanso and the last year at Global Gases.

Thank you for giving me the opportunity to present Global Gases' views on implementation of the Helium Stewardship Act.

My comments today will focus on the provisions of the Helium Stewardship Act related to tolling of crude helium by the Helium Refiners for Non-Refiners.

Thus far, based on experience related to the BLM's Q2 2014 sale of Conservation Helium, implementation of the tolling provisions of the Helium Stewardship Act has not gone as intended.

The Helium Refiners have been extremely conservative in their estimates of Excess Refining Capacity, and based on the responses to an RFQ sent out by Global Gases, it appears that the Refiners are going to be very reluctant to offer firm commitments to provide tolling services.

Where tolling services have been offered, they have been offered at rates far more costly than what we had anticipated and clearly inconsistent with the legislative intent that such services would be offered at “commercially reasonable rates”.

If an intent of the Helium Stewardship Act is to share the benefits of access to the Federal Helium Reserve with a larger number of companies, that intent is not yet being realized. To realize that benefit, Non-Refiners need both the opportunity to purchase Crude Helium from the Federal Reserve and the opportunity to secure tolling capacity at Commercially Reasonable Rates.

**Global Gases believes that it is imperative that the BLM play a much more proactive role in ensuring that the tolling provisions of the Helium Stewardship Act are implemented in a manner that is consistent with the legislative intent.**

As the BLM moves toward its initial auction of Crude Helium from the Federal Reserve, it is important to note that if the companies that purchase Crude Helium are unable to secure tolling capacity at Commercially Reasonable Rates, subsequent auctions of Crude Helium are sure to fail, as there will be no commercial incentive for Non-Refiners to participate.

Global Gases believes that the BLM should be able to implement a tolling process that will provide access to tolling capacity for Non-Refiners in a manner that is fair and equitable to both Helium Refiners and Non-Refiners.

Global Gases has submitted its detailed ideas for a process that the BLM could adopt to implement third-party tolling in a manner consistent with the letter and intent of the Helium Stewardship Act.

We are ready to assist the BLM in working toward that objective.